Assumptions for Pricing at $15/month and $0/hour

140	Monthly gain in paying users (after 50% loss of idle
85.00%	Percent actives to paying users
33.00%	Annual growth in expenses
75.00%	Proportion of monthly revenue which is credit card
10.61%	Payroll taxes as percentage of payroll expense
	Monthly buyout payment or dividend
$2,500	Monthly payment on NETI advance
$817.69	Monthly payment on Sequent note
13%	Sequent Note rate
6%	Interest on cash in the bank
36.00%	Corporate tax rate
90	A/R (days)
30	A/P (days)
$15.00	Monthly Fee
	Hourly Fee
$5.00	Packet Fees
$0.50	Leased line fee
$0.02	Disk storage per Kilobyte
26.00%	Percentage of charges given as complimentary discounts

6.00	Avg Packet Hour Use
35.00%	Percentage of Actives using Packet
$25.00	Registration fee for Invoiced User
12	Avg Hours per Active Payer
64.00	Avg Kb storage over allowance per pay
	Avg hours Leased Line usage
	Percentage of Actives using Leased Lir

Projections for Pricing at $15/month and $0/hour

	Jan-91	Feb-91	Mar-91	Apr-91	May-91	Jun-91	Jul-91	Aug-91	Sep-91	Oct-91	Nov-91	Dec-91	1991
SUMMARY													
Income Statement													
Total Revenue	76,414	71,462	75,971	78,583	81,194	83,805	86,416	89,028	91,639	94,250	96,861	99,473	1,025,096
EXPENSES													
Personnel	29,715	27,947	27,947	27,197	27,947	27,947	27,604	27,947	28,279	28,352	28,279	28,279	337,441
Computer Operations	35,823	34,584	36,849	37,224	38,561	39,909	41,770	43,143	44,529	45,928	47,341	48,769	494,431
Sales/Marketing	1,383	1,411	4,440	1,470	1,501	1,533	1,567	1,601	1,637	1,674	1,712	1,752	21,681
Office	3,874	3,895	3,941	3,988	4,037	4,086	4,138	4,190	4,244	4,300	4,357	4,415	49,465
Customer Support	3,480	(3,656)	3,535	3,538	3,540	3,543	3,546	3,549	3,552	3,555	3,558	3,561	35,300
General & Administrative	7,567	6,720	7,951	7,944	7,346	8,481	8,416	7,818	8,245	10,181	8,583	8,720	97,971
Total Expenses	81,841	70,902	84,663	81,362	82,932	85,501	87,040	88,249	90,486	93,989	93,830	95,495	1,036,289
EBIT	(5,427)	560	(8,691)	(2,779)	(1,738)	(1,696)	(624)	779	1,153	262	3,031	3,977	(11,193)
Interest Income/Expense	(110)	(102)	(95)	(144)	(180)	(201)	(208)	(235)	(328)	(324)	(352)	(341)	(2,621)
EBT	(5,537)	458	(8,787)	(2,923)	(1,918)	(1,897)	(832)	544	825	(63)	2,680	3,636	(13,814)
Corporate Taxes	(1,993)	165	(3,163)	(1,052)	(691)	(683)	(300)	196	297	(23)	965	1,309	(4,973)
Earnings	(3,544)	293	(5,624)	(1,871)	(1,228)	(1,214)	(533)	348	528	(40)	1,715	2,327	(8,841)
Dividends or Buyout payments													
Net Earnings	(3,544)	293	(5,624)	(1,871)	(1,228)	(1,214)	(533)	348	528	(40)	1,715	2,327	(8,841)
Capital Budget Total	12,000		3,500	4,000			4,000	17,500		4,000			45,000
CASH FLOW ANALYSIS													
Net Earnings	(3,544)	293	(5,624)	(1,871)	(1,228)	(1,214)	(533)	348	528	(40)	1,715	2,327	(8,841)
Sub: Non-Income Cash Uses													
New plant and equipment	(12,000)		(3,500)	(4,000)			(4,000)	(17,500)		(4,000)			(45,000)
Add: Non-Cash Expenses													
Depreciation	2,448	2,647	2,647	2,705	2,772	2,772	2,772	2,838	3,129	3,129	3,195	3,195	34,249
Add: Increases in Liabilities													
Short Term	13,146	(11,507)	9,200	292	1,050	1,438	3,095	1,188	1,609	1,979	1,689	1,870	25,048
Long Term	(3,094)	(3,101)	(3,128)	(3,115)	(3,129)	(3,130)	(3,143)	(3,145)	(3,153)	(3,166)	(3,169)	(3,181)	(37,654)
Sub: Increases in Non-Cash Assets													
Accounts receivable	9,009	3,714	(3,382)	(1,958)	(1,958)	(1,958)	(1,958)	(1,958)	(1,958)	(1,958)	(1,958)	(1,958)	(8,284)
Credit card vouchers	(5,729)	3,714	(3,382)	(1,958)	(1,958)	(1,958)	(1,958)	(1,958)	(1,958)	(1,958)	(1,958)	(1,958)	(23,022)
Net Cash Flow	237	(4,238)	(7,169)	(9,906)	(4,452)	(4,051)	(5,726)	(20,188)	(1,804)	(6,015)	(487)	294	(63,504)
Cash Balance	23,061	18,823	11,653	1,748	(2,704)	(6,755)	(12,481)	(32,668)	(34,472)	(40,487)	(40,974)	(40,680)	

Assumptions for Pricing at $10/month and $2/hour

105	Monthly gain in paying users (after 25% loss of idl
70.00%	Percent actives to paying users
33.00%	Annual growth in expenses
75.00%	Proportion of monthly revenue which is credit card
10.61%	Payroll taxes as percentage of payroll expense
	Monthly buyout payment or dividend
$2,500	Monthly payment on NETI advance
$817.69	Monthly payment on Sequent note
13%	Sequent Note rate
6%	Interest on cash in the bank
36.00%	Corporate tax rate
90	A/R (days)
30	A/P (days)
$10.00	Monthly Fee
$2.00	Hourly Fee
$5.00	Packet Fees
$0.50	Leased line fee
$0.02	Disk storage per Kilobyte
26.00%	Percentage of charges given as complimentary discounts

4.00	Avg Packet Hour Use
35.00%	Percentage of Actives using Packet
$25.00	Registration fee for Invoiced User
8	Avg Hours per Active Payer
64.00	Avg Kb storage over allowance per pay
	Avg hours Leased Line usage
	Percentage of Actives using Leased Lir

	Jan-91	Feb-91	Mar-91	Apr-91	May-91	Jun-91	Jul-91	Aug-91	Sep-91	Oct-91	Nov-91	Dec-91	1991
SUMMARY													
Income Statement													
Total Revenue	82,005	76,149	80,159	82,286	84,414	86,541	88,668	90,796	92,923	95,051	97,178	99,306	1,055,475
EXPENSES													
Personnel	29,715	27,947	27,947	30,432	27,947	27,947	30,699	27,947	28,279	31,578	28,279	28,279	346,998
Computer Operations	21,697	20,828	22,402	22,084	22,723	23,369	24,524	25,187	25,859	26,540	27,230	27,930	290,374
Sales/Marketing	1,383	1,411	4,440	1,470	1,501	1,533	1,567	1,601	1,637	1,674	1,712	1,752	21,681
Office	3,872	3,890	3,933	3,977	4,023	4,070	4,118	4,168	4,219	4,272	4,326	4,382	49,249
Customer Support	2,658	(4,416)	2,713	2,715	2,718	2,721	2,723	2,726	2,729	2,732	2,735	2,738	25,492
General & Administrative	7,848	6,956	8,161	8,130	7,508	8,619	8,530	7,907	8,309	10,221	8,599	8,711	99,499
Total Expenses	67,171	56,615	69,596	68,808	66,419	68,259	72,161	69,538	71,033	77,017	72,882	73,792	833,293
EBIT	14,834	19,534	10,563	13,478	17,994	18,282	16,507	21,258	21,890	18,033	24,296	25,513	222,182
Interest Income/Expense	(110)	(117)	(44)	(30)	(17)	31	89	114	93	165	192	277	643
EBT	14,724	19,417	10,519	13,448	17,977	18,312	16,596	21,373	21,983	18,198	24,488	25,790	222,825
Corporate Taxes	5,301	6,990	3,787	4,841	6,472	6,592	5,975	7,694	7,914	6,551	8,816	9,284	80,217
Earnings	9,423	12,427	6,732	8,607	11,505	11,720	10,621	13,678	14,069	11,647	15,672	16,506	142,608
Dividends or Buyout payments													
Net Earnings	9,423	12,427	6,732	8,607	11,505	11,720	10,621	13,678	14,069	11,647	15,672	16,506	142,608
Capital Budget Total	12,000		3,500	4,000			4,000	17,500		4,000			45,000
CASH FLOW ANALYSIS													
Net Earnings	9,423	12,427	6,732	8,607	11,505	11,720	10,621	13,678	14,069	11,647	15,672	16,506	142,608
Sub: Non-Income Cash Uses													
New plant and equipment	(12,000)		(3,500)	(4,000)			(4,000)	(17,500)		(4,000)			(45,000)
Add: Non-Cash Expenses													
Depreciation	2,448	2,647	2,647	2,705	2,772	2,772	2,772	2,838	3,129	3,129	3,195	3,195	34,249
Add: Increases in Liabilities													
Short Term	5,488	(11,547)	8,570	(1,151)	1,308	847	1,683	1,403	1,010	525	1,931	1,264	11,330
Long Term	(3,094)	(3,101)	(3,128)	(3,115)	(3,129)	(3,130)	(3,143)	(3,145)	(3,153)	(3,166)	(3,169)	(3,181)	(37,654)
Sub: Increases in Non-Cash Assets													
Accounts receivable	4,816	4,392	(3,007)	(1,596)	(1,596)	(1,596)	(1,596)	(1,596)	(1,596)	(1,596)	(1,596)	(1,596)	(8,159)
Credit card vouchers	(9,922)	4,392	(3,007)	(1,596)	(1,596)	(1,596)	(1,596)	(1,596)	(1,596)	(1,596)	(1,596)	(1,596)	(22,897)
Net Cash Flow	(2,840)	9,210	5,307	(146)	9,265	9,017	4,741	(5,917)	11,864	4,943	14,439	14,592	74,476
Cash Balance	19,985	29,195	34,502	34,356	43,621	52,638	57,379	51,463	63,327	68,269	82,708	97,300	